



# भारत का राजपत्र The Gazette of India

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EXTRAORDINARY

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PART II—Section 2

प्राधिकार से प्रकाशित

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इस भाग में भिन्न पृष्ठ संख्या दी जाती हैं जिससे कि यह अलग संकलन के रूप में रखा जा सके।

Separate paging is given to this Part in order that it may be filed as a separate compilation

## LOK SABHA

The following Bill was introduced in Lok Sabha on the 11th July, 1979:—

BILL NO. 89 OF 1979

*A Bill to provide for the payment out of the Consolidated Fund of India of sums equivalent to the net proceeds of Union duties of excise on electricity to the States to which the law imposing the duty extends and for the distribution of those sums among those States in accordance with the recommendations of the Finance Commission, in its report dated the 28th day of October, 1978.*

BE it enacted by Parliament in the Thirtieth Year of the Republic of India as follows:—

1. (1) This Act may be called the Union Duties of Excise (Electricity) Distribution Act, 1979.

Short title and commencement.

(2) It shall be deemed to have come into force on the 1st day of April, 1979.

2. In this Act, the expression “distributable Union duties of excise on electricity” means the net proceeds of Union duties of excise on electricity levied and collected, other than in Union territories, under the Central Excises and Salt Act, 1944 and any other law for the levy and collection of such duty, unless the law earmarks the proceeds of the duty for any special purpose.

Definition.

1 of 1944.

*Explanation.*—The expression “net proceeds” has the same meaning as in clause (1) of article 279 of the Constitution.

Payment to States of sums equivalent to the net proceeds of Union duties of excise on electricity and distribution of the sums among them.

3. During the Financial year commencing on the 1st day of April, 1979 and each of the four succeeding Financial years there shall be paid, out of the Consolidated Fund of India, to the States sums equivalent to the distributable Union duties of excise on electricity levied and collected in that year and those sums shall be distributed to each of the States specified in column (1) of the Table below in such percentage as is set out against it in column (2) for the respective year :—

TABLE

(1) State	(2) Percentage				
	1979-80	1980-81	1981-82	1982-83	1983-84
Andhra Pradesh	7.82	8.71	9.15	8.92	8.58
Assam	0.72	0.92	1.37	1.49	1.41
Bihar	6.88	6.66	6.80	6.55	6.64
Gujarat	7.67	7.50	7.77	7.49	7.33
Haryana	3.21	3.20	2.89	2.91	2.99
Himachal Pradesh	0.79	0.73	0.72	0.72	0.71
Jammu and Kashmir	0.90	0.79	0.78	0.86	1.00
Karnataka	7.05	7.24	7.10	6.70	6.46
Kerala	4.20	3.77	3.53	3.58	3.62
Madhya Pradesh	5.47	5.86	6.13	6.09	5.98
Maharashtra	13.26	13.34	13.69	14.24	14.48
Manipur	0.01	0.05	0.07	0.08	0.09
Meghalaya	0.29	0.26	0.23	0.22	0.22
Nagaland	0.07	0.08	0.08	0.09	0.09
Orissa	3.70	3.54	3.76	4.01	3.89
Punjab	5.90	5.55	5.10	5.00	5.06
Rajasthan	3.97	3.62	3.55	3.40	3.46
Tamil Nadu	7.25	7.28	6.93	6.65	6.38
Tripura	0.04	0.05	0.05	0.05	0.06
Uttar Pradesh	12.28	12.40	11.40	11.51	11.87
West Bengal	8.52	8.45	8.90	9.44	9.68

4. The expenditure on the payments in pursuance of section 3 shall be charged on the Consolidated Fund of India.

Payment  
to be  
charged  
on the  
Consoli-  
dated  
Fund of  
India.

5. (1) The Central Government may, by notification in the Official Gazette, make rules providing for the time at which and the manner in which, any payments under this Act are to be made, for the making of adjustments between one financial year and another and for any other incidental or ancillary matters.

Power  
to make  
rules.

(2) Every rule made under this section shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

## STATEMENT OF OBJECTS AND REASONS

During each of the financial year from 1974-75 to 1978-79, based on the recommendations of the Sixth Finance Commission, a sum equivalent to twenty per cent. of the annual net proceeds of Union duties of excise, excluding cesses levied under special Acts and earmarked for special purposes, was paid to the States and distributed among them in the percentages which that Commission had recommended. The Seventh Finance Commission, in its Report 1978, recommended that—

(i) forty per cent. of the net proceeds of Union duties of excise, other than on generation of electricity, levied and collected during each of the years 1979-80 to 1983-84, excluding cesses levied under special Acts and earmarked for special purposes, should be paid out of the Consolidated Fund of India to the States and distributed among them in the percentages recommended by the Commission; and

(ii) during each of the years 1979-80 to 1983-84, the net proceeds of the Union duties of excise on generation of electricity should be paid out of the Consolidated Fund of India to each State in an amount equal to the collection in or attributable to that State.

The Union Duties of Excise (Distribution) Act, 1979, to give effect to item (i) of the above recommendation of the Commission, has already been enacted by Parliament in May, 1979.

In making its recommendation at item (ii) above, the Seventh Finance Commission had also taken note of the State-wise estimates of revenues, net of cost of collection, from Union duty of excise on electricity, in each of the five years from 1979-80 to 1983-84, based on the anticipated energy availability in each State as contained in the Tenth Annual Power Survey. The Bill, which seeks to give effect to item (ii) of the above recommendation, provides for the distribution of the net proceeds of the duty among the States in the same percentages, in the respective year, as the Commission had relied upon.

CHARAN SINGH.

NEW DELHI;

*The 20th June, 1979.*

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PRESIDENT'S RECOMMENDATION UNDER ARTICLES 117 AND 274  
OF THE CONSTITUTION OF INDIA

[Copy of letter No. F.TU(6)-B(S)/79, dated the 30th June, 1979 from Shri Satish Agarwal, Minister of State in the Ministry of Finance to the Secretary, Lok Sabha.]

The President, having been informed of the subject matter of the proposed Bill to provide for payment out of the Consolidated Fund of India of sums equivalent to the net proceeds of Union duties of excise on electricity to the States to which the law imposing the duty extends and for the distribution of those sums among those States in accordance with the recommendations of the Finance Commission, in its report dated the 28th day of October, 1978, recommends under clause (1) and (3) of article 117 and clause (1) of article 274 of the Constitution, the introduction of the Union Duties of Excise (Electricity) Distribution Bill, 1979, in Lok Sabha and also the consideration of the Bill.

## FINANCIAL MEMORANDUM

Clause 3 of the Bill provides for payment to the States of the net proceeds of Union duties of excise levied and collected on generation of electricity, other than in Union territories, during the financial year commencing on the 1st day of April, 1979 and each of the four succeeding financial years. The Seventh Finance Commission, whose recommendation in this regard is intended to be given effect to by this Bill, estimated the payment to the States at Rs. 1145.88 crores during the five years 1979-80 to 1983-84.

The Bill does not involve any non-recurring expenditure.



## MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 5 of the Bill empowers the Central Government to make rules in respect of matters specified therein. They relate to the time at which and the manner in which any payments are to be made to the States, for the making of adjustments between one financial year and another and for any other incidental or ancillary matters. The matters in respect of which the rules may be made are of a routine and administrative character.

2. The delegation of legislative power is thus of a normal character.

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AVTAR SINGH RIKHY,

*Secretary.*